

S E C R E T SECTION 01 OF 03 DOHA 000077

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E.O. 12958: DECL: 01/15/2016

TAGS: [PREL](#) [PGOV](#) [ECON](#) [QA](#) [UNSC](#)

SUBJECT: SCENESETTER FOR A/S SILVERBERG'S VISIT TO QATAR

Classified By: Ambassador Chase Untermeyer for reasons 1.4 (b) and (d).

¶11. (C) Embassy Doha is pleased to welcome you. We expect that you will find the Qatari leadership welcoming -- in principle -- of cooperation with the United States on UN Security Council issues. Our goals for regional security largely coincide with those of Qatar; the number two in the foreign ministry recently told A/S Wayne that U.S. success in Iraq is also a success for Qatar. But at the same time, Qatari leadership is drawn to roles that enhance its international prestige and will likely view its new seat on the UN Security Council, and its perceived responsibility toward a range of "clients," with that optic. Qatar continues to seek opportunities to get beyond the diplomatic estrangement over Al-Jazeera that has dogged relations with the U.S. in recent years. Qatar's high-level dialogue with Syria is increasingly troubling, however. On other fronts, the bilateral energy relationship is strong, with U.S. investors playing major roles in the economy, and Qatar is making steady progress in establishing democratic institutions.

¶12. (C) We have requested meetings with the Amir's wife Sheikha Mozah bint Nasser al-Misnad (addressed as Your Highness), the First Deputy Prime Minister and Foreign Minister Hamad bin Jassim Al Thani (addressed as Your Excellency or Mr. Minister), and Assistant Minister for Follow-Up Affairs Mohamed al-Rumaihi.

¶13. (U) The paragraphs that follow provide background on key current political economic issues in Qatar.

Iraq

¶14. (S) Qatar has been a pillar of support for our efforts in Iraq and Afghanistan. We continue, for instance, to fly unimpeded combat missions out of Al-Udeid Air Base. The Amir shares our view that restoration of order and a successful democratic transition are of paramount importance not only to Iraq but to the region. However, there is some feeling that Qatar's efforts over the past two years are not fully appreciated in Washington. The Foreign Minister has promised the Ambassador recently that the GOQ would provide debt relief to Iraq "at the right time." While the Foreign Minister has expressed concerns of civil war in Iraq, he has stated publicly that the coalition needs to stay in the country to establish wider security. The GOQ also points to the importance of establishing a power structure in Baghdad that is fully inclusive of the Sunni bloc.

Syria

¶15. (C) Over the past year, Qatari officials have maintained a behind-the-scenes dialogue with their Syrian and Lebanese counterparts in an attempt to bring about stable disengagement and to defuse tensions with the United States. The relationship with Syria includes announcements of investment projects aimed at the Syrian real estate sector. Despite our protests, the high-level dialogue continues and President Bashar al-Asad visited Doha from January 15 to early on the 17th.

Terrorism and Security

¶16. (S) Foreign and Qatari residents alike were shocked by the March 19, 2005 bombing of a British-run amateur theater. Had the vehicle's angle not shifted just before the detonation, over 100 people could have been killed; it was a powerful and lethal explosion. The vehicle was laden with explosives and ball bearings. Qatari officials, prominent business leaders, and religious figures all condemned the attack. The only public demonstration in Qatar in the last 18 months occurred several days later when several thousand Qataris gathered to condemn the attack and express support for the expatriate community. The investigation continues, but most recently detainees were released from custody. The government's public line is that the bomber Omar Ali, a long-time Egyptian resident of Qatar, acted alone. However, evidence suggests the contrary. Business activity has not been hindered.

Political Reform

17. (U) Qatar's own program of reform, launched by the Amir after he assumed power in 1995, took a significant step forward last June when its first constitution came into force. The constitution calls for a two-thirds elected national legislature. These elections have not been scheduled but are expected to take place sometime in early 2007. Qatari women will have the right to vote and will be encouraged by the government to run for office. In municipal elections in 1999 and 2003, women here were the first in the Gulf region to cast votes, and one woman was elected to the council.

Dramatic Changes in Education

18. (U) Education reform, headed by the Amir's wife, Sheikha Mozah, is becoming a showcase. This reform includes a sweeping revamp of Qatar's pre-university and higher education system based on Rand Corporation recommendations. Also as part of this effort, Qatar has brought to its "Education City" the branch campuses of Texas A&M University, Virginia Commonwealth University, Carnegie-Mellon, the Weill-Cornell Medical College, and Georgetown University's School of Foreign Service. These have been ground-breaking efforts that have been hailed by many as models for other states in the region.

Al-Jazeera

19. (C) Al-Jazeera remains a blight on our otherwise robust relationship. In response to our repeated protests and appeals, Al-Jazeera's management claims to have reduced the air time given to Al-Qaida and kidnappers' videos and have made efforts to address the inflammatory nature of its reporting from Iraq. The channel has stressed to us its coverage of pro-democracy movements in Lebanon and Egypt as well as broader coverage of Middle Eastern politics. The Al Jazeera managing director told the Ambassador, "If the Americans want to find a proper partner in its effort to get democracy and reform, they won't find a better one than Al Jazeera."

10. (C) The station has shown some signs of improved broadcasting but still remains unacceptably sloppy in its journalist practices. In December, the percentage of its "negative" reports (as calculated by the Defense Intelligence Agency) notched down for the second straight month, to 15%. (DIA's calculations of AJ's broadcast coverage of U.S. involvement in Iraq in 2005 ranged from as high as 20% "negative" to as low as 7%.) The Al-Jazeera issue has cast a long shadow, affecting cooperation on a variety of bilateral initiatives floated by the U.S. The GOQ wants to find ways to put U.S.-Qatar relations on a stronger, more positive foundation. We anticipate that your Qatari interlocutors will welcome your visit as a chance to move toward that objective. On 17 January, Ambassador told the foreign minister, "The good news is that Al Jazeera will no longer be the chief irritant in U.S.-Qatari relations. The bad news is that Syria will be."

Energy Sector

11. (U) Qatar's economy is one of the fastest-growing in the world, achieving a 20.5% increase in GDP in 2004 and is expected to record equal or better growth for 2005. Per capita income is nearing \$38,000, exceeding that of the U.S. and soon to be the highest in the world. Qatar's vast wealth has resulted from the successful development of its natural gas resources over the past 10 years with plans for even greater expansion over the next decade. Under the leadership of the minister of Energy and Industry, Qatar Petroleum is maximizing use of Qatar's natural resources to diversify the economy and provide business and employment opportunities to Qatari. Since 1999, there has been \$60 billion in foreign investment in Qatar's energy sector, about \$40 billion of it coming from U.S. companies. Qatar plans to invest \$70 billion in the natural gas sector over the next seven years.

12. (U) The GOQ estimates Qatar's oil reserves are at 27 billion barrels. Qatar's daily average production is currently estimated to be 806,000 barrels per day; at current production rates, oil reserves are expected to last 20 to 40 years. Qatar's goal is to increase overall production capacity to over one million bpd by 2006. Occidental and Anadarko are the two U.S. companies operating in this sector.

13. (U) The majority of Qatar's current development in the energy sector is focused on its natural gas reserves.

Discovered in 1971, Qatar's North Field contains 15.3% of world natural gas reserves, third behind Russia and Iran. Estimated at 900 trillion cubic feet (tcf), the North Field is the largest non-associated gas field in the world. The North Field extends over an area of approximately 6,000 square kilometers is expected to support planned production for over 200 years.

14. (U) QP manages the natural gas sector through its two major joint ventures, Qatargas and RasGas. The GOQ's primary goal is to supply 78 million tons of LNG annually to the international market by 2012 in order to meet about 30% of the global energy needs for LNG. GOQ officials have said that QP would increase its LNG output from 15.1 million tons per annum (mtpa) in 2003 to 20.2 mtpa by the end of 2004. In October 2004, Minister al-Attiyah said that Qatar plans to invest \$70 billion in the natural gas sector over the next seven years. The production facilities for Qatargas, Rasgas and other natural gas related projects are located at Ras Laffan Industrial City.

Trade Issues

15. (U) Qatar signed a Trade and Investment Framework agreement with the U.S. in March 2004, but progress toward a Free Trade Agreement is moving slowly at best. The minister of Economy and Commerce has expressed his commitment to achieving a FTA, but doing so will require Qatar to remove such trade obstacles as mandatory majority Qatari ownership of most businesses, the government telecom monopoly, restrictions to foreign investment in the financial services sector, labor issues, and lack of transparency in government procurement.

Regional Reconstruction

16.(C) Qatar has begun to use its wealth more intensively for development and reconstruction purposes while seeking leadership roles. One recent example is that establishment of the "Reach Out to Asia" foundation, headed by the Amir's daughter, Sheikha Miyassa. The importance of the foundation is part of the leadership's looking forward to the December 2006 Asian Games, which Qatar will host.

17.(C) Qatar has contributed as expected to reconstruction and development in Iraq and the Palestinian Territories. In Iraq, it sought a leadership position with the establishment of a \$15 million higher education fund through UNESCO and has pledged \$100 million at Madrid. Nevertheless, Qatar has not been proactive in pursuing reconstruction efforts. This may be due in part to U.S. pressure over Al Jazeera and to the perception that Qatar is already doing its share by hosting U.S. forces here.

18.(C) In the Palestinian Territories, Qatar makes use of personal contacts when setting up bilateral programs. For example, Qatar built a soccer stadium for an Arab team in Israel and is donating 100 vehicles for the Palestinian police. The Amir has close relations with Mahmoud Abbas, who visited Doha earlier this month and lived here in exile for many years.

UNTERMEYER